Affordable Housing Still Out of Reach for Low-Wage Workers

The Average Vermont Renter Faces a Huge Affordability Gap

BURLINGTON, VT – In order to afford a modest two-bedroom apartment at the Fair Market Rent in Vermont, renters need to earn $22.78 an hour, or $47,375 annually. This is Vermont’s 2019 Housing Wage, revealed in a national report released today. The report, Out of Reach: The High Cost of Housing, was jointly released by the National Low Income Housing Coalition (NLIHC), a research and advocacy organization dedicated solely to achieving affordable and decent homes for the lowest income people, and the Vermont Affordable Housing Coalition (VAHC).

Every year, Out of Reach reports on the Housing Wage, the hourly wage a full-time worker must earn to afford a modest, safe rental home without spending more than 30% of their income on housing costs. The report covers all states, counties, metropolitan areas, and ZIP codes in the country, highlighting the gap between what renters earn and what it costs to rent.

The average renter in Vermont earns $13.40 an hour, which is $9.38 less than the hourly wage needed to afford a safe, decent place to live. They can afford just $697 a month for their housing costs, while the average statewide Fair Market Rent for a two-bedroom apartment is $1,184 a month and $945 a month for a one-bedroom. Vermont’s one-bedroom Housing Wage is $18.18 an hour.

With over 76,214 renter households, Vermont has the 6th largest affordability gap for renters of any state in the nation.

Senator Patrick Leahy (D-VT), Vice Chairman of the Senate Appropriations Committee, said: "Each year the NLIHC Out of Reach report reminds us that we must remain sharply focused on increasing the affordability of housing in Vermont. A single mother with a minimum wage job should not have to work 85 hours each week to afford a home for herself and her children. Vermont’s housing partners are working hard to make housing accessible to Vermonters across the income spectrum, and I will continue to work to ensure that federal resources can be invested in our communities. Together, we will continue to work toward the goal of bringing housing within reach of everyone who calls Vermont home."

At Vermont’s current minimum wage of $10.78, a wage earner must have 2.1 full-time jobs or work 85 hours a week to afford a two-bedroom apartment and have 1.7 full-time jobs or work 67 hours per week to afford a modest one-bedroom apartment. In no state, even those where the minimum wage is above $7.25, can a minimum wage renter working a 40-hour week afford a modest two-bedroom rental home.

Senator Bernie Sanders (I-VT), Ranking Member of the Senate Budget Committee, added: “Far too many Americans are working long hours at low wages and can’t afford a decent, safe place to live. Here in Vermont, we see renters paying 50, 60 and even 70 percent of their income for their housing, leaving little for other basic necessities. We need to reorder our national priorities to make investments
that strengthen working families and help them thrive, which includes investing in more decent, safe and affordable housing."

The struggle to afford modest apartments is not limited to minimum wage workers. Of the ten most common jobs in Vermont according to the Bureau of Labor Statistics, only Registered Nurses and Bookkeepers/Accountants/Auditing Clerks have average wages higher than the one-bedroom Housing Wage. Seniors and others living on fixed incomes can’t afford housing anywhere in the state without a subsidy.

“I applaud Vermont’s housing advocates for their leadership in putting a spotlight on the housing affordability gap in Vermont and the nation. One of the biggest challenges facing working Vermonter is a lack of affordable housing. This important report makes it clear that we have our work cut out for us,” said Congressman Peter Welch (D-VT). “As a nation, we have the resources needed to close this affordability gap. The House is poised to pass an appropriations bill next week that includes the resources needed to ensure every American has access to safe and affordable housing.”

The Coalition and its members applaud the work of the House in passing a robust budget for housing and community development. We hope the Senate follows suit soon. For its part, the State of Vermont has made progress through the 2017 Housing Bond, but must continue and expand its own investments in affordable housing creation, rental subsidies, and supportive services for our most vulnerable citizens.

Additional findings from Out of Reach:

- The national Housing Wage is $22.96 for a two-bedroom home and $18.65 for a one-bedroom.
- Vermont is the 9th most expensive state for rural (non-metro) areas.
- Vermont is the 16th most expensive state in the nation for renters.
- The Housing Wage in the greater metropolitan area of Burlington is $29.69, fully $6.91 an hour higher than the state average.
- Someone with a disability living on Supplemental Security Income (SSI) can only afford $247 a month, leaving them $937 short for a two-bedroom and $698 short for a one-bedroom rental.

###

The National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that ensures people with the lowest incomes in the United States have affordable and decent homes. [www.nlihc.org](http://www.nlihc.org)

The Vermont Affordable Housing Coalition (VAHC) is a statewide membership organization dedicated to ensuring that all Vermonter have safe, adequate, physically accessible and affordable housing, particularly the state’s low and moderate-income residents, people with disabilities, the homeless, elders, and families with children. [www.vtaffordablehousing.org](http://www.vtaffordablehousing.org)